

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00
EB-08 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09 OES-06
XMB-02 TRSE-00 AID-05 L-03 SSO-00 NSCE-00 INRE-00
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FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC IMMEDIATE 129

LIMITED OFFICIAL USE BELGRADE 2060

EO 11652: NA

TAGS: EWWT YO

SUBJ: MARAD WAIVER DENIALS

REF: (A) STATE 64647, (B) STATE 53839

1. FEB 2 LETTER SIGNED BY VERA PEJNOVIC, HEAD OF
DEPARTMENT OF FOREIGN TRADE SECRETARIAT, CONTAINS FOLLOWING
PARAS CONSTITUTING WRITTEN ASSURANCES:

QUOTE. REFERRING TO THE TALKS BETWEEN THE U.S. SECRETARY
OF COMMERCE ELLIOT RICHARDSON AND FEDERAL SECRETARY FOR FOREIGN
TRADE DR. EMIL LUDVIGER, I WOULD LIKE TO REPEAT THAT THE
YUGOSLAV FOREIGN TRADE SYSTEM DOES NOT RECOGNIZE ANY SUBSIDIES
FOR THE NATIONAL LINES AND THAT THERE IS NO DISCRIMINATION
AGAINST ANY FOREIGN COMPANY. THE FACT IS THAT THERE ARE
CERTAIN FACILITIES (DRAW BACK) FOR THE YUGOSLAV INDUSTRIES,
WHICH ARE SUPPOSED TO FACILITATE THE PRODUCTION OF EXPORT
ORIENTED COMMODITIES. THE REGULATIONS, WHICH PROVIDE THE SAID
FACILITIES, ARE PUBLISHED IN THE OFFICIAL GAZETTE (SLUZBENI
LIST SFRJ) NO. 42 DATED 2ND AUGUST 1973.

"HAVING IN MIND THAT UNDER THE PRESENT CIRCUMSTANCES

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YUGOSLAV SHIPS ARE NOT ALLOWED TO CARRY EQUIPMENT BOUGHT
BY YUGOSLAV COMPANIES UNDER ARRANGEMENTS WITH THE U.S.
EXPORT-IMPORT BANK AND OTHER FINANCIAL INSTITUTIONS, WE ARE
LOOKING FORWARD TO HEAR FROM YOU THAT THE US ADMINISTRATION
HAS AGAIN INTRODUCED "WAIVERS", AS THIS IS THE MUTUAL
INTEREST AND BENEFIT OF BOTH PARTS. UNQUOTE.

2. IN FOLLOW-UP DISCUSSION, FOREIGN TRADE SECRETARIAT OFFICIAL HAS DEFINED DRAWBACK FACILITIES AUTHORIZED IN OFFICIAL GAZETTE 42/73 AS ITEM 575, ENTITLED "DECISION ON CONDITIONS FOR RETURN OF DUTY PAID ON IMPORTED GOODS USED IN PRODUCTION OF DOMESTIC PRODUCTS BEING EXPORTED". DECISION PROVIDES DRAWBACK RANGING FROM ONE TO FOUR PERCENT, DEPENDING ON INDUSTRY, OF TOTAL RPT TOTAL VALUE OF EXPORTED PRODUCT IF IT CONTAINS DUTIABLE FOREIGN CONTENT.

3. THE FOREIGN TRADE OFFICIAL STRESSED DURING THE DISCUSSION THAT THE GOY APPLIES THE DRAWBACK FACILITIES UNIFORMLY, WHETHER MERCHANDISE IS EXPORTED ON YUGOSLAV OR OTHER FLAG VESSELS. THE OFFICIAL EXPRESSED HOPE FOR RESUMPTION OF MARAD WAIVERS. SHOULD MARAD HAVE ANY QUESTIONS IN THE FUTURE ON YUGOSLAV SHIPPING PRACTICES, THE OFFICIAL VOLUNTEERED, THE GOY WOULD REMAIN RECEPTIVE TO PROMPT CONSULTATIONS.

4. RECOMMENDATION: ON BASIS OF WRITTEN AND ORAL OFFICIAL ASSURANCE THAT GOY NEITHER SUBSIDIZES YUGOSLAV SHIPPING LINES NOR DISCRIMINATES AGAINST FOREIGN CARRIERS, EMBASSY RECOMMENDS THAT MARAD RESUME ISSUANCE OF WAIVERS TO PERMIT SHIPMENT OF EXIMBANK-FINANCED U.S. EXPORTS ON YUGOSLAV VESSELS. YORK

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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Disposition Event:
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TAGS: EWWT, YO, US, (PEJNOVIC, VERA), (RICHARDSON, ELLIOT)
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